

Message Text

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PAGE 01 KHARTO 01787 211728Z

ACTION AF-10

INFO OCT-01 NEA-10 ISO-00 SP-02 ICA-11 AID-05 EB-08
NSC-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-10 NSAE-00 XMB-02 OPIC-03
LAB-04 SIL-01 AGRE-00 IO-13 INT-05 OES-07 DOE-15
SOE-02 L-03 /144 W

-----129814 211730Z /45 43

P 201203Z APR 78

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC PRIORITY 7152

INFO AMEMBASSY ABU DHABI PRIORITY

AMEMBASSY CAIRO PRIORITY

AMEMBASSY JIDDA PRIORITY

AMEMBASSY KUWAIT PRIORITY

C O N F I D E N T I A L KHARTOUM 1787

C O R R E C T E D C O P Y (PARA 1)

E.O. 11652: GDS

TAGS: ECON, EAID, SU

SUBJECT: IMF NEGOTIATIONS

REF: KHARTOUM 1716

1. ECONCHIEF HAD 45 MINUTE MEETING WITH HEAD OF IMF
NEGOTIATING TEAM HITTI WHO TO SAY THE LEAST WAS DISPIRITED AND
SERIOUSLY QUESTIONING WHY HE WAS IN SUDAN. OFFICIAL IMF
CONTACTS BETWEEN JANUARY AND THIS NEGOTIATION HAD INDICATED
TO IMF THAT THEY HAD BASIC AGREEMENT ON ALL POINTS INCLUDING
EXCHANGE RATE ADJUSTMENT. THE SKY HAS FALLEN IN ON LATTER
POINT AND IMF IS MEETING A SOLID WALL.

2. REVIEWING CURRENT ECONOMIC DEVELOPMENTS, EMBASSY'S
JUDGMENT THAT ECONOMY IS GRINDING TO HALT WITH ADDITIONAL
BAD NEWS ALMOST DAILY IS SHARED BY IMF. WHILE IMF RELUCTANT
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TO DISCUSS POLITICAL CONSEQUENCES OF THEIR PROGRAM OR LACK
OF ADOPTION THEREOF, THEY BELIEVE THAT ECONOMIC REASONS
FOR EXCHANGE ADJUSTMENTS ARE COMPELLING. HITTI HOPED
THAT SEVERAL MONTHS AFTER RESULTS OF DEVALUATION ARE
OBSERVED, MORE COMPREHENSIVE REFORM PROGRAM COULD BE
PUT TOGETHER WHICH COMBINED WITH MASSIVE ARAB FINANCIAL
SUPPORT COULD RESULT IN SIGNIFICANT REDUCTION OF IMPORT

AND FOREIGN EXCHANGE CONTROL RESTRICTIONS IN 2-3 YEARS.
HE ONLY CONCEIVES OF PRESENT IMF PROGRAM AS FIRST STEP
IN SERIES OF LONG OVERDUE REFORMS. HE FEELS THAT ANY
UNTIED BOP SUPPORT WILL ONLY MAKE REFORMS MORE DIFFICULT
AND IMPLIED THAT SAUDIS AND KUWAITIS SHARED THIS VIEW.
BERGUS

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NNN

Message Attributes

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Draft Date: 20 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Format: TEL
From: KHARTOUM
Handling Restrictions: n/a
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ISecure: 1
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Litigation Codes:
Litigation History:
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Secure: OPEN
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Subject: IMF NEGOTIATIONS
TAGS: ECON, EAID, SU, IMF
To: STATE
Type: TE
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